

1 AN ACT relating to retirement.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 161.525 is amended to read as follows:

- 4 (1) Upon death of a member in active contributing status at the time of death, who was
5 eligible to retire by reason of service, the spouse, if named as the primary
6 beneficiary of the member's retirement account, or in the absence of an eligible
7 spouse a legal dependent of the member, if named as the primary beneficiary, shall
8 be entitled to elect, in lieu of a refund of the member's account or benefits provided
9 in KRS 161.520, an annuity actuarially equivalent at the attained age of the
10 beneficiary to the annuity that would have been paid to the deceased member had
11 retirement been effective on the day immediately preceding the member's death.
12 Under the provisions of KRS 61.680, benefits shall be processed as if the member
13 retired for service. In exercising this right the spouse or legal dependent shall be
14 limited to selecting an option providing either a straight life annuity with refundable
15 balance or a term certain option. A spouse may receive the annuity provided by this
16 section at the same time as children are qualifying for survivors' benefits under the
17 provisions of KRS 161.520; however, a legal dependent, other than a spouse, may
18 not receive these payments if children have qualified for benefits under that section.
- 19 (2) A spouse qualifying for an annuity under subsection (1) of this section may defer
20 the payments in order to reduce the actuarial discounts to be applied due to age.
- 21 (3) Upon death of a member in active contributing status at the time of his or her death,
22 who had a minimum of twenty-seven (27) years of service, the spouse, if named as
23 the primary beneficiary of the member's account shall be entitled to a monthly
24 minimum allowance of three hundred dollars (\$300) as the basic straight life
25 annuity. This provision applies to surviving spouses of members who were
26 receiving benefit payments under KRS 161.520 as of June 30, 1986, and to
27 surviving spouses of members who die on or after July 1, 1986.